

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7313

BILL NUMBER: SB 518

DATE PREPARED: Feb 5, 2002

BILL AMENDED: Feb 4, 2002

SUBJECT: Mental Health Center Service Areas.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill establishes primary service areas for community mental health centers. The bill specifies that a provider that meets certification requirements of a community mental health center must be assigned to a geographic primary service area, and that a geographic service area may have more than one provider.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) This bill has two provisions for the Division of Mental Health and Addiction (DMHA). The director of DMHA must enact rules for establishing exclusive geographic primary service areas for community mental health centers. The bill requires that the rules for geographic primary service areas for community mental health centers must be adopted by July 1, 2002. Each service area may have more than one provider. The second provision, establishing criteria for changing a primary service area boundary, has no set time line. These two provisions require administrative rulemaking by DMHA. It is assumed that the division will be able to absorb these additional costs given current staffing and resources.

The redistricting of geographic service areas may impact the funding of individual community mental health centers. These centers receive state funding based on a formula from the Hoosier Assurance Plan. The redistricting may change the areas that centers service, thus impacting the total state dollars awarded to that center. However, this would redistribute existing funds and not affect total state funds allocated for these centers.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) This bill clarifies language regarding county appropriations for these centers. The addition of primary service areas will facilitate the calculation of county payments to

community mental health centers. This will not affect the total county and local funds allocated to these centers. Rather, it may affect the proportion of county and local funds given to each community mental health center within a service area.

Background: The statewide county contribution to community mental health centers was \$21 M for FY 2001.

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected: County and local governments.

Information Sources: John Viernes, Family and Social Services Administration; Rhonda Cook, Association of Indiana Counties.